

VZCZCXRO5156  
PP RUEHBC RUEHDE RUEHIHL RUEHKUK  
DE RUEHGB #1079/01 1111351  
ZNY CCCCC ZZH  
P 211351Z APR 09  
FM AMEMBASSY BAGHDAD  
TO RUEHC/SECSTATE WASHDC PRIORITY 2785  
INFO RUCNRAQ/IRAQ COLLECTIVE PRIORITY  
RHMFISS/HQ USEUCOM VAIHINGEN GE PRIORITY  
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 001079

SIPDIS

E.O. 12958: DECL: 12/31/2014  
TAGS: [PGOV](#) [ECON](#) [SOCI](#) [IZ](#)  
SUBJECT: KARBALA MOVING TOWARD NORMALCY AMID SECURITY CONCERNS

REF: A) BAGHDAD 385 B) 08 BAGHDAD 3655 C) 08 BAGHDAD 2230

Classified By: Deputy Political Counselor John G. Fox for reasons 1.4 (b) and (d).

This is a PRT Karbala cable.

11. (C) Summary: Amid an unsettled security situation, Karbala since early 2009 has showed increasing signs that normalcy is returning. Tourism is up and the dinar is appreciating. Electricity is on 12 hours per day. Markets are full of goods, gas queues have vanished and residents, while not enamored of their representatives, concede they at least have a voice. Although there is no guarantee that Karbala's progress is irreversible, we believe it has a fighting chance of surviving and growing stronger. End Summary.

#### Security Concerns

12. (SBU) Because it plays host to millions of pilgrims each year, Karbala is particularly vulnerable to terrorist attacks. On April 13, an explosively formed projectile attack on a U.S. convoy in the province resulted in the death of one American soldier and the wounding of three others, along with two Iraqi Police personnel. A previous incident occurred on February 12, when an IED place near the Imam Husayn shrine detonated, killing at least 12 and wounding 80 visitors here to observe Arba'ayniyah (the end of the 40-day mourning period following Ashura, the anniversary of Imam Husayn's death; ref A). Several other attacks against pilgrims occurred during Ashura and Arba'ayniyah, but none of them was carried out within the province.

13. (C) The draconian security measures initiated by former Karbala ISF commander MG Ra'ad Shaker Jawdat al-Hasnawi following the deadly violence that erupted during Shabaniyah observances in August 2007 generally are credited with having crushed the Shi'a militias here. A less frequently cited, but equally important, factor in quelling the chaos has been the willingness of citizens to step forward and provide information. The Shabaniyah debacle turned many here against the militias, according to local police commander MG Ali Jassim al-Gireri. Speaking to a PRT members and a delegation representing International Narcotics and Law Enforcement in early April, al-Gireri said that the battle against terrorism in Karbala had shifted from strong-arm tactics to a "soft" strategy based on acquiring intelligence. The confidence Karbalans have in the security forces has led them to be more forthcoming with information, he stated, which in turn has enabled the police to disrupt "a number" of terrorist plots here (he declined to say precisely how many). Note: Al-Gireri's days as IP commander here may be numbered; according to a number of well-informed contacts, there are substantial differences between the police commander and members of the Provincial Council (PC), who reportedly plan to seek his removal. End Note.

## Tourism Up

---

14. (SBU) Despite the unsettled security situation, normalcy is returning, bit by bit, to Karbala. Signs that life is governed by the needs and desires of citizens instead of the dictates of war and recovery have been particularly evident since the beginning of 2009. For example, tourism -- which, after agriculture, is the largest source of income -- continues to grow robustly. In November 2008, Karbala Hotel and Restaurant League President Mohammad Sadiq al-Hir observed that an average of 4,500 Iranian pilgrims entered Holy Karbala each day (ref B). This month, he stated that the number had climbed to 6,000. More visitors also are coming from the Gulf Arab states. In late 2008, the Chamber of Commerce reported that no more than several hundred could be found in the province on any given day. Chamber President Nabil al-Anbari currently reckons that as many as 1,000 cross into Karbala daily.

15. (SBU) The Chamber and the League agree that an impediment to the further growth of tourism is a lack of bed space. There are some 220 hotels here, from primitive hostels on up to modestly posh (three-star international standard) digs. Nonetheless, some visitors -- particularly Iranians who neglect to sign onto a package deal before coming -- find they must resort to camping in parks and along roadsides. According to a Karbala journalist, the dearth of luxury accommodations here is of particular concern to business leaders. Iranians may be the bread-and-butter upon which the tourism industry depends, but drawing the more free-spending Gulf Arab visitors is viewed as critical to fueling up-market

BAGHDAD 00001079 002 OF 002

tourism growth. With an eye to increasing Karbala's attractiveness to well-heeled pilgrims, several development plans -- ranging from limited renovation targeting the city center around the Imam Husayn and Imam Abbas shrines to a wholesale reinvention of the province and the establishment of a "new Karbala city" on the shores of Lake Razzaza -- currently are under consideration. We will report on these septel.

## Power to the People

---

16. (SBU) The appreciating Iraqi dinar has enhanced the purchasing power of consumers in Karbala. According to Karbala University President Hasan Awdah al-Ghanemi, a dinar goes 15 percent further now than it did a year ago. Prices for basic commodities such as rice and flour tend to rise during religious observances, when the province is flooded with visitors. Since the beginning of 2009, however, they have remained reasonably constant, enabling residents to budget their incomes more effectively. The availability of fuel also has stabilized. Local brick factories, whose kilns burn heavy fuel oil, report fewer delays in promised fuel deliveries (such delays crippled the industry in 2008, see ref C). Long queues of motorists, a fixture at the pumps here as recently as six months ago, rarely are seen now. However, the paucity of gasoline stations (which sell a liter of regular unleaded for the equivalent of 38 cents) drives many here to purchase fuel from roadside entrepreneurs offering dubious-looking opaque liquids (in recycled water bottles) for as much as 64 cents per liter.

17. (SBU) Choice is emerging as the signal characteristic of the new Karbala economy. The province now enjoys 12 hours of electricity a day, a substantial improvement over the eight hours averaged during 2008. The extra hours of power are enabling businesses and households to operate more efficiently, and are also helping overcrowded schools to meet demand by scheduling additional evening classes. Stores and stalls are full not only of foodstuffs, but increasingly with consumer goods and luxury items. During a recent walk through a neighborhood market, PRT members spied for sale a

red cocktail dress -- a pricey bauble of little practical utility here.

¶8. (C) A sense of citizen empowerment also is palpable in conversations with Karbalans about the Provincial Council elected on January 31 (and formally begins work this month). Although few believe that the incoming PC members are any less venal than their predecessors, most contacts agree that the campaign and election let the people, for the first time, pass judgment on their leaders with the expectation that they will respond. Never before, according to women's NGO leader Fawzia al-Ghanemi, have citizens in general and women in particular felt that the politicians cared what they think. (By Iraqi standards, Karbala enjoys a reasonably well-functioning government. It managed to execute \$140 million (67 percent) of its \$221 million budget, one of the top five provinces in this regard).

Comment: No Guarantee, But...

-----  
¶9. (C) There is no guarantee that Karbala's progress is irreversible -- additional attacks would torpedo the fragile sense of optimism -- but we believe it has a fighting chance of surviving and growing stronger. The normalcy we see returning is cherished by Karbalans; the failure of Sadrists to inspire anyone here to turn up for a local "down with the occupation" demonstration on April 9 (the sixth anniversary of the overthrow of the Saddam regime) suggests there is no desire to return to the bad old days of militias run rampant. This province and its leadership will make mistakes, of course, and the PRT will endeavor to ensure useful lessons are derived from any missteps. End Comment.

BUTENIS